

Message Text

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FM AMEMBASSY LISBON

TO SECSTATE WASHDC FLASH 753

C O N F I D E N T I A L LISBON 4425

E.O. 11652: GDS

TAGS: OVIP (COSTA GOMES, FRANCISCO), PO

SUBJ: CONTENT OF PRESIDENTS FORD-COSTA GOMES MEETING

REF: STATE 226025

SUMMARY: EMBASSY RECOMMENDATIONS FOR CONTENT OF MEETING
BETWEEN PRESIDENTS FORD AND COSTA GOMES FOLLOWS. END SUMMARY

1. WE RECOMMEND THAT THE PRESIDENTS FORD-COSTA GOMES
MEETING BE USED TO ACCOMPLISH THE FOLLOWING:

(A) SECURE FROM COSTA GOMES HIS FRANK ASSESSMENT OF
WHERE PORTUGAL IS HEADING POLITICALLY. SPECIFICALLY, WE
SHOULD SEEK HIS HONEST ESTIMATE OF WHETHER LEFTIST TENDENCIES
WITHIN THE ARMED FORCES MOVEMENT (AFM), REINFORCED BY
PRESSURES OUTSIDE THE AFM, MIGHT UNDER CERTAIN CIRCUMSTANCES
CARRY PORTUGAL BEYOND OBVIOUSLY ESSENTIAL AND LONG OVERDUE
SOCIO-ECONOMIC REFORMS TO A SITUATION WHERE COMMUNIST
AND/OR ULTRA-NATIONALIST INFLUENCE WOULD BE SO DOMINANT
AS TO FORCE THE U.S. OUT OF THE AZORES AND PORTUGAL OUT
OF NATO. IN DISCUSSING THIS SUBJECT, WE FEEL THE U.S.
SIDE SHOULD MAKE IT CLEAR THAT WE DO NOT NECESSARILY
BELIEVE THOSE WHO PROPHECY DOOM IN PORTUGAL, THAT WE
ARE PREPARED TO JUDGE THE NEW CLASS OF PORTUGUESE
LEADERSHIP ON WHAT THEY DO, NOT ON WHAT OTHERS SAY
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ABOUT THEM (PARTICULARLY OTHERS WHO HAVE BENEFITTED

FROM THE UNJUST SYSTEM OF THE PAST), BUT THAT IT IS
SIMPLE PRUDENCE FOR THE U.S. TO TAKE THE "WORST CASE"
INTO CONSIDERATION IN DEVISING ITS POLICIES TOWARD THE
NEW PORTUGAL.

(B) MAKE IT CLEAR TO COSTA GOMES THAT HE CAN
COUNT ON U.S. SUPPORT TO THE EXTENT THAT U.S. ASSISTANCE
CAN BE EFFECTIVE IN FURTHERING EFFORTS TO TRANSFORM
PORTUGAL INTO A MORE DEMOCRATIC SOCIETY SOLIDLY INTEGRATED
INTO THE WESTERN EUROPEAN/NATO MOLD. THE U.S. SIDE
SHOULD ASK COSTA GOMES WHAT KIND OF U.S. ASSISTANCE HE
WOULD CONSIDER MOST EFFECTIVE IN THIS CONNECTION. (OUR
OWN ESTIMATE IS THAT BOTH POLITICALLY AND ECONOMICALLY
THE FIELD THAT WOULD YIELD THE LARGEST POLITICAL RETURN
FOR THE U.S. ARE IN PUBLIC HOUSING AND ANY ASSISTANCE,
ESPECIALLY LONG-TERM, LOW INTEREST LOANS, WHICH WILL
PROVIDE MORE JOBS. ASIDE FROM THE FACT THAT THE RETURN
TO PORTUGAL OF COLONISTS AND SOLDIERS FROM AFRICA WILL
SWELL THE UNEMPLOYMENT LISTS, AND U.S. IMAGE NOW IN
PORTUGAL IS OF A COUNTRY WHOSE COMPANIES DOING BUSINESS
IN PORTUGAL HAVE SINCE APRIL 25 BEEN ADDING TO THE
UNEMPLOYMENT PROBLEM. WE SHOULD TRY TO TURN THAT IMAGE
AROUND).

(C) THE U.S. SIDE SHOULD INTRODUCE THE SUBJECT
OF U.S. MILITARY AID TO PORTUGAL BY ANNOUNCING THAT THE
DEVELOPMENTS ACHIEVED BY PORTUGAL IN THE DECOLONIZATION
FIELD HAVE BROUGHT US TO CONCLUDE THAT ANY MILITARY
ASSISTANCE PROVIDED PORTUGAL BY THE U.S. WILL BE USED
TO ENHANCE PORTUGAL'S PARTICIPATION IN NATO, AND IN ANY
CASE WILL NOT BE USED TO SUPPRESS AFRICAN ASPIRATIONS FOR
INDEPENDENCE, AND THEREFORE THE U.S. HAS DECIDED TO
CANCEL ITS ARMS EMBARGO IN RELATION TO PORTUGAL. BEYOND
THAT, WE FEEL THE U.S. SIDE SHOULD EXPLORE WITH COSTA
GOMES THE EXTENT TO WHICH U.S. ARMS AID CAN CONTRIBUTE TO
PORTUGUESE ADHERENCE, INDEED ENHANCED PARTICIPATION IN
NATO, SPECIFICALLY IN CONNECTION WITH THE AZORES AGREEMENT.
WE FEEL THAT U.S. MILITARY AID TO PORTUGAL MIGHT ALSO
BE DISCUSSED IN THE CONTEXT OF USING SUCH AID TO ORIENT
THE PORTUGUESE ARMED FORCES TOWARD THE U.S. AND THE WEST.
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THIS MAY NOT BE THE PROPER CONTEXT FOR CONSIDERING THIS
PROPOSAL, BUT WE HAVE FOR SOME TIME THOUGHT THAT A PLANT
OR SEVERAL PLANTS ESTABLISHED IN PORTUGAL FOR TANK AND/OR
APC ASSEMBLY AND FOR REHAB OF A VARIETY OF NATO ARMAMENTS
WOULD BE (A) CHEAPER THAN ELSEWHERE DESPITE INCREASED WAGES
IN PORTUGAL; (B) USEFUL FOR THE PRODUCTION OF EQUIPMENT
DESIRED BY THE PORTUGUESE ARMY ; (C) HELPFUL IN PROVIDING
EMPLOYMENT OPPORTUNITIES; AND (D) CONTRIBUTORY TO

PORTUGUESE ADHERENCE TO NATO.

2. THE PUBLIC IMAGE PROJECTED BY THE MEETING IS OF EXCEEDING IMPORTANCE. THIS WILL BE THE FIRST CHIEFS OF STATE MEETING FOR COSTA GOMES. THE FACT THAT HE MEETS FIRST WITH THE U.S. CHIEF OF STATE HAS OBVIOUS ADVANTAGES AND NO LESS OBVIOUS DISADVANTAGES. THAT HE SHOULD CHOOSE WASHINGTON AS HIS FIRST NATIONAL PORT OF CALL SHOULD NOT BE PRESENTED PUBLICLY AS SIMPLY AN ADJUNCT TO HIS UN APPEARANCE. THUS THE COMMUNIQUE SHOULD STRESS THAT PRESIDENT FORD, BECAUSE OF HIS GREAT INTEREST IN DEVELOPMENTS IN PORTUGAL, INVITED COSTA GOMES TO COME TO WASHINGTON FOR AN EXCHANGE OF VIEWS, LEAVING THE IMPLICATION THAT THE UN ADDRESS WAS INCIDENTAL, NOT VICE VERSA. FURTHERMORE, THE MEETING SHOULD BE SEEN TO RESULT IN MORE THAN THE SEPTEMBER 20 MEETING BETWEEN THE SECRETARY AND SOARES; EITHER THERE SHOULD BE CONCRETE PRONOUNCEMENTS (END OF THE ARMS EMBARGO, DOLLARS IN AID OF LOW-COST HOUSING, WILLINGNESS TO PROVIDE LOW-INTEREST, LONG TERM LOANS FOR JOB CREATION), OR THERE SHOULD BE A PRESIDENTIAL REAFFIRMATION OF U.S. DETERMINATION TO ASSIST PORTUGAL ECONOMICALLY TO OVERCOME THE EFFECTS OF PORTUGAL'S HAVING ADOPTED THE LONG-STANDING U.S. URGING FOR DECOLONIZATION IN AFRICA. TO COUNTER THE PROPAGANDA SPREAD BY THE INTELLECTUAL LEFT THAT THE U.S. WAS SATISFIED WITH THE OLD STATUS QUO, THAT IN OUR HEART OF HEARTS, WE PREFER THE CERTAINTY OF CAETANO'S POLICIES TO THE UNCERTAINTY OF THE NEW PORTUGAL, THERE SHOULD BE A PRESIDENTIAL AFFIRMATION PLACING THE U.S. FIRMLY ON THE SIDE OF CONSTRUCTIVE CHANGE.

3. AT THE RISK OF OVERDRAMATIZING OUR SITUATION, WE
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ARE INCLINED TO BELIEVE THAT PORTUGAL, SMALL AS IT IS, IS OF DISPROPORTIONATE IMPORTANCE IN RELATION NOT ONLY TO AFRICA BUT PARTICULARLY TO THE SOUTHERN EUROPEAN LITTORAL. TO THE EXTENT THAT PORTUGAL IS IMPORTANT IN THIS CONTEXT, COSTA GOMES IS A FUNDAMENTAL FACTOR IN OUR SOUTHERN EUROPEAN POLICY. WE THINK HE IS BASICALLY WITH US, AND THAT WE SHOULD THEREFORE DO OUR BEST TO SUPPORT HIM.
SCOTT

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